



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 6 – CAPITAL ASSETS (CONTINUED)

D. Depreciation Expense

Depreciation expense was charged to the primary government as follows:

Governmental Activities:

General Government	\$ 406,993
Public Safety	438,379
Public Works	305,560
Highways, Streets & Bridges	403,140
Internal Service Fund depreciation is charged back to the various functions based on their usage of the assets	<u>215,354</u>

Total Governmental Activities	<u><u>\$ 1,769,426</u></u>
-------------------------------	----------------------------

Business-type Activities:

Sewer	\$ 1,183,953
Water	594,970
Airport	<u>110,530</u>

Total Business-type Activities	<u><u>\$ 1,889,453</u></u>
--------------------------------	----------------------------

NOTE 7 – LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Bond obligation activity of the Primary Government can be summarized as follows:

A. Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<u>General Obligation Bonds</u>						
1999 Storm Sewer Bonds						
Amount of Issue \$210,000	4.45% -					
Maturing through 2009	5.25%	\$ 20,000	\$ 115,000	\$ (20,000)	\$ 95,000	\$ 20,000
1996 WWTP Refunding Bonds						
Amount of Issue \$2,165,000	4.0% -	\$105,000-				
Maturing through 2006	5.40%	\$145,000	245,000	(140,000)	105,000	105,000
1996 Capital Improvements Bond						
Amount of Issue \$1,885,000	4.75% -	\$220,000-				
Maturing through 2006	6.60%	\$255,000	490,000	(235,000)	255,000	255,000
<u>Special Assessment Bonds</u>						
1999 SA Bonds						
Amount of Issue \$110,000	4.45% -	\$ 5,000-				
Maturing through 2009	5.25%	\$ 10,000	45,000	(10,000)	35,000	10,000
<u>Revenue Bonds</u>						
2002 Building Authority Bonds						
Amount of Issue \$3,530,000	3.7% -	\$190,000-				
Maturing through 2016	4.25%	\$315,000	2,985,000	(195,000)	2,790,000	200,000
Total bond obligations			3,880,000	(600,000)	3,280,000	590,000
<u>Other Long-term Obligations</u>						
Compensated Absences						
Vacation			370,200	362,653 (345,978)	386,875	345,000
Sick			218,593	21,589 (22,675)	217,507	83,160
Compensated Absences			588,793	15,589	604,382	428,160
Total governmental activities			4,468,793	(584,411)	3,884,382	1,018,160

The sick portion of compensated absences balance considered payable within one year is for the balances of employees who have formally indicated their intent to retire in 2006. The vacation portion of compensated absences balance considered payable within one year is based on an estimate based on 2005 usage. For governmental activities, compensated absences are generally liquidated by the general fund.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 7 – LONG-TERM DEBT (CONTINUED)

B. Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Revenue Bonds						
2000 Wastewater Treatment Plant Bonds						
Amount of Issue \$6,500,000	4.8% -	\$ 230,000 -				
Maturing through 2020	4.85%	\$ 505,000	\$ 5,640,000	\$ (240,000)	\$ 5,400,000	\$ 250,000
1998 Water Refunding Bonds						
Amount of Issue \$5,885,000	3.75% -	\$ 55,000 -				
Maturing through 2021	4.95%	\$ 460,000	5,615,000	(245,000)	5,370,000	250,000
Deferred Interest on Refunding Bonds		\$ 521,979	(313,179)	20,880	(292,299)	-
1994 Water Bonds						
Amount of Issue \$8,500,000	4.0% -	\$ 180,000 -				
Maturing through 2024	8.00%	\$ 585,000	1,655,000	-	1,655,000	-
Total business-type activities			12,596,821	(464,120)	12,132,701	500,000
Total Primary Government			\$ 17,065,614	\$ (1,048,531)	\$ 16,017,083	\$ 1,518,160

Bond obligation activity of the Component Units can be summarized as follows:

C. Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Revenue Bonds						
1992 CBD TIFA Bonds						
Amount of Issue \$1,275,000	4.65% -	\$65,000 -				
Maturing through 2012	7.50%	\$ 115,000	\$ 720,000	\$ (70,000)	\$ 650,000	\$ 75,000
1992 DDA TIFA Bonds						
Amount of Issue \$1,250,000	4.6% -	\$60,000 -				
Maturing through 2012	7.50%	\$ 115,000	715,000	(65,000)	650,000	75,000
Total bond obligations			1,435,000	(135,000)	1,300,000	150,000
Other Long-term Obligations						
Michigan Jobs Commission Loan	0.00%	\$ 126,501	126,501	159,457 (189,559)	96,399	96,399
Amount of Issue \$1,200,000						
Maturing through 2006						
Total Component Units			\$ 1,561,501	\$ (165,102)	\$ 1,396,399	\$ 246,399

The increase in the Michigan Jobs Commission Loan is due to previous job credits being revoked and the interest rate changed to 0% in 2005.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 7 – LONG-TERM DEBT (CONTINUED)

D. Debt Service Requirements

Annual debt service requirements to maturity for the above obligations is as follows:

Primary Government:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	\$ 590,000	\$ 136,596	\$ 500,000	\$ 581,082
2007	245,000	109,098	520,000	557,860
2008	255,000	98,696	535,000	533,810
2009	260,000	87,732	555,000	508,817
2010	240,000	76,463	580,000	482,830
2011-15	1,375,000	218,400	3,340,000	1,973,390
2016-20	315,000	6,694	4,280,000	1,071,598
2021-24	-	-	2,115,000	187,285
Total	<u>\$ 3,280,000</u>	<u>\$ 733,679</u>	<u>\$ 12,425,000</u>	<u>\$ 5,896,672</u>

Component Units:

Year Ended December 31,	Principal	Interest
2006	\$ 246,399	\$ 77,198
2007	160,000	67,739
2008	170,000	57,466
2009	185,000	46,372
2010	195,000	34,376
2011-12	<u>440,000</u>	<u>28,800</u>
Total	<u>\$ 1,396,399</u>	<u>\$ 311,951</u>



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 7 – LONG-TERM DEBT (CONTINUED)

E. 1998 Advance Refunding

On July 1, 1998, the City issued \$5,885,000 in Water Revenue Bonds with an average interest rate of 4.77% to advance refund \$5,360,000 of 1994 Water Revenue Bonds. The maturities from 8/1/05 to 8/1/21 of the 1994 Water Revenue Bonds were refunded. These maturities had interest rates of 6.0% to 8.0%.

The net proceeds were used to purchase U.S. Government Securities for the purpose of generating resources for all future debt service payments of the refunded debt. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on these issues. As a result, these maturities are considered defeased and the liability for these bonds has been removed from the Long-Term Debt. The outstanding balance of defeased debt was paid off during 2004.

The new debt reported in the Statement of Net Assets is reported net of the difference between the reacquisition price and the net carrying amount of \$292,299. This amount is being amortized over the life of the bonds.

F. Conduit Debt Obligation

During 2000, the City of Mt. Pleasant issued bonds, in the amount of \$2,400,000, for Crisis Center, Inc. to obtain the necessary funding to construct 40 units of low and moderate-income housing. The bonds do not constitute a charge, lien or encumbrance, legal or equitable, upon any property within the City except the housing project constructed. The bonds clearly state that under no circumstances will the City, the County, the State or any of its taxpayers or citizens ever be required to pay any of the principal or interest on the bonds, or any costs relating to the issuance thereof from any tax revenues. The outstanding balance on the debt as of December 31, 2005 is \$2,234,136.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 8 – RESTRICTED ASSETS

Specific assets of various funds have been restricted as follows:

Governmental Funds

General Fund

Unspent Donations	\$ 568,568
-------------------	------------

Major Street

Unspent Donations	15,399
-------------------	--------

Community Development Block Grant Fund

Grant Requirements	45,322
--------------------	--------

Other Nonmajor Governmental Funds

Unspent Donations	359,831
-------------------	---------

Debt Bond Requirements	<u>820,347</u>
------------------------	----------------

Total Governmental Funds	<u><u>\$ 1,809,467</u></u>
--------------------------	----------------------------

Business Type Activities

Sewer Fund

Unspent Donations	\$ 2,817
-------------------	----------

Ordinance Requirements	1,379,203
------------------------	-----------

Debt Service	529,493
--------------	---------

Water Fund

Ordinance Requirements	852,456
------------------------	---------

Debt Service	606,100
--------------	---------

Nonmajor Proprietary Funds

Unspent Donations	94,000
-------------------	--------

Grant Requirements	<u>262,670</u>
--------------------	----------------

Total Business-Type Activities	<u><u>\$ 3,726,739</u></u>
--------------------------------	----------------------------

Component Units

Unspent Donations	\$ 64,477
-------------------	-----------

Legal Requirements	<u>302,680</u>
--------------------	----------------

Total Component Units	<u><u>\$ 367,157</u></u>
-----------------------	--------------------------



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 9 - RISK MANAGEMENT

A. Property Liability

The City is exposed to various risks related to civil suits, property protection, errors and omissions and natural disasters. The City participates in a risk pool with other local units of government in the Michigan Municipal Risk Management Authority. This self-insurance plan provides members with loss protection for property damage, general liability, automobile damage, machinery damage and errors and omissions. The City pays an annual contribution to provide for the procurement of re-insurance, risk management, underwriting, establishment of loss reserves, and other related expenses. The City also makes contributions to its member retention fund. When a claim is incurred and or paid, the individual member retention fund is charged up to the \$199,000 self retention limits; individual claims in excess of \$100,000 are paid by the reinsurance. The City has no obligation for payment of another member's losses. The City carries Airport and Underground Storage Tank liability insurance from a commercial carrier.

There have been no reductions in insurance coverage of any type from December 31, 2005. For the past three years, settlement of insurance claims has not exceeded insurance coverage.

B. Medical Claims

The City provides group health insurance to its employees through a self-funded health plan. Weyco, Inc. Benefit Management administers the plan under contractual agreement with the City. The plan is accounted for in the City's Self Insurance Fund. The City has stop-loss insurance coverage for all claims in excess of \$65,000 per unit. A liability for claims incurred but not yet reported (IBNR Claims) of \$198,649 has also been recorded in the Self Insurance Fund. The IBNR Claims reported consist of projected claims to be paid based on the plan's previous two years history.

	<u>2005</u>	<u>2004</u>
IBNR Claims Payable Beginning of Year	\$ 188,917	\$ 161,699
Claims Made	1,620,312	1,506,635
Claims Paid	<u>(1,610,580)</u>	<u>(1,479,417)</u>
IBNR Claims Payable End of Year	<u>\$ 198,649</u>	<u>\$ 188,917</u>



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 10 – POST-EMPLOYMENT BENEFITS

In accordance with POAM and COAM union agreements, in addition to providing pension benefits, the City provides all police and command officers who retire with Act 345 pension benefits after January 1, 2002 with paid health care benefits for the retiree only. Beginning January 1, 2003, the City established a Retiree Health Care Fund in accordance with Public Act 149 of 1999. The Retiree Health Care fund is funded by a 2% employee contribution, a transfer of excess Act 345 pension interest in accordance with Public Act 28, employer contributions and a contribution from the City. The City plans to prefund the plan based on an actuarial valuation. The plan is reported in the Retiree Health Trust Fund.

As of December 31, 2005, three retirees were collecting the benefit and 32 employees may be eligible for the benefit upon retirement. The Actuary has determined the accrued liability for this benefit is \$378,355. The Actuary has determined that 2.31% of payroll should be contributed to fund the plan. During 2005, \$16,380 in premiums were paid. During 2005, the City contributed \$5,800 and employees contributed \$35,181 to the plan. A transfer of \$17,280 was received from the ACT 345 retirement system as provided by P.A. 28. At December 31, 2005 assets of the plan were \$104,437. Financial Statements for this plan are in Note 12.

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

The City maintains two pension plans: 1) a contributory defined benefit pension plan with the Municipal Employees Retirement System of Michigan (MERS), which is an agent multiple-employer public employee retirement system, and 2) a single-employer contributory defined benefit pension plan for its police and fire employees under P.A. 345 of the Michigan Public Acts of 1937, as amended.

A. Municipal Employees Retirement System of Michigan

Plan Description – The following brief description of the MERS plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. Municipal Employees Retirement System of Michigan (Continued)

The City contributes to the Municipal Employees Retirement System of Michigan (MERS), multiple-employer public employee retirement system administered by the MERS Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at MERS, 1134 Municipal Way, Lansing, MI 48917. All full-time City employees and part-time firefighters, except for the police and fire members who have their own retirement plan, are eligible to participate in the system. Employees become eligible to participate upon employment.

Funding Policy - The obligation to contribute to and maintain the system for union employees was established by negotiation with the City's bargaining units. The obligation for non-union employees was established by the Professional, Administrative, Confidential and Technical Employees (PACT) policy. These require an employee contribution of 4% of gross wages for AFSCME Union and PACT employees, and 5% for part-time firefighters.

Annual Pension Cost - For the year ended December 31, 2005 and 2004, respectively the City's annual pension cost of \$413,917 and \$363,710 for the plan was equal to the City's required and actual contribution. The annual required contribution rate was determined as part of an actuarial valuation at December 31, 2003 and 2002 using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8% net investment yield, (b) projected salary increases of 5% plus a percentage based on an age-related scale to reflect merit, longevity and promotional salary increases per year and a 4.5% inflation projection. The plan does not provide for post retirement benefit increases. The actuarial value of assets was determined on that basis that assumes the fund earns the expected rate of return and includes an adjustment to reflect market value. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability on an open basis over 30 years. The City's estimated annual pension cost for the year ended December 31, 2006, based on the December 31, 2004 actuarial valuation is \$451,248.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. Municipal Employees Retirement System of Michigan (Continued)

Trend Information

	Fiscal Year Ended December 31,			
	2002	2003	2004	2005
Annual Pension Cost (APC)	\$ 120,327	\$ 130,625	\$ 363,710	\$ 413,917
Percentage of APC to Cover Payroll	3.4%	4.0%	8.6%	-
Percentage of APC Contributed	100%	100%	100%	100%
Net Pension Obligation	-	-	-	-
Actuarial Value of Assets	12,321,454	13,023,916	13,899,879	
Actuarial Accrued Liability	13,317,164	14,802,432	16,571,771	
Unfunded (Overfunded) Actuarial Accrued Liability	995,710	1,778,516	2,671,892	
Funded Ratio	92.5%	88%	83.9%	
Covered Payroll	3,520,770	3,269,705	4,217,404	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	28.3%	54.4%	63.4%	

N/A - Not Available/Applicable

Valuation for December 31, 2005 not yet available

B. City of Mt. Pleasant Fire and Police Pension System

Plan Description - The following brief description of the Fire and Police Pension System plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The City sponsors and administers a single-employer defined benefit pension plan for its police and fire employees under P.A. 345 of the Public Acts, as amended. The system provides retirement, disability and death benefits to plan members and their beneficiaries. The system's financial statements are included in the Financial Statements, as a pension trust fund. A financial report of the system is included in Note 12. At December 31, 2005 membership in the System is as follows:

<u>Group</u>	<u>Membership</u>
Active Members	42
Retirees and Beneficiaries	34
Currently Receiving Benefits	



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Funding Policy - Plan member benefits and member contributions are determined based on negotiations with the three bargaining units covering members. Fire plan members are required to contribute 5% and Police are required to contribute 4% of their annual covered payroll. Employer contributions to the plan provide for an annual contribution at an actuarially determined rate. The City levies a voted millage to cover the contribution. Administrative costs of the plan are financed through investment earnings.

The system is required to maintain reserves for employees' contributions and retired benefit payments. At December 31, 2005, these reserves equal 100% of non-retired employee contributions plus interest and 100% of the actuarial determined reserve for retiree benefit payments. Reserve balances at December 31, 2005 are:

Reserve for Employee Contribution	\$ 1,316,255
Reserve for Retiree Benefit Payment	\$ 8,684,110

Annual Pension Cost - For the years ended December 31, 2005 and 2004, respectively, the City's annual pension cost of \$249,376 and \$166,024 for the plan was equal to the City's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2003 and 2002, using the individual entry age normal cost method. Significant actuarial assumptions used include (a) an 8% net investment yield, (b) projected salary increases of 5% to 8% including a percentage based in an age-related scale to reflect merit, longevity and promotional salary increases per year and (c) inflation of 3%. The plan provides a "13th" check as a post-retirement benefit increase for some retirees. The actuarial value of assets was determined on a five year smoothed market basis. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability on a closed basis over 20 years. The City's annual pension cost for the year ended December 31, 2006, based on the December 31, 2004 actuarial valuation is \$343,214 and for the year ended December 31, 2007 based on the December 31, 2005 actuarial valuation is \$354,066.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Trend Information

	2003	2004	2005
Annual Pension Cost (APC)	\$ 96,145	\$ 166,024	\$ 249,376
Percentage of APC to Cover Payroll	.6%	6.4%	10%
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	-	-	-
Actuarial Value of Assets	17,225,631	16,837,905	16,828,869
Actuarial Accrued Liability	15,518,689	16,309,949	16,671,051
Unfunded (Overfunded) Actuarial			
Accrued Liability	(1,706,942)	(527,956)	(157,818)
Funded Ratio	111%	103%	101%
Covered Payroll	2,437,692	2,578,620	2,493,426
Unfunded Actuarial Accrued			
Liability as a Percentage of			
Covered Payroll	N/A	N/A	N/A

Basis of Accounting - The system uses the accrual basis method of accounting. Plan members contributions are recognized in the period in which the contributions are deposited in the trust. Member contributions are deposited in the trust at the end of each quarter. Employer contributions are made in July when the taxes are levied based on the actuarial report of the 2nd previous year. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Investments are stated at fair value in the financial statements. The actuarial value of assets is measured using a smoothing valuation. Mutual funds and securities traded on a national exchange are valued at the reported sales price on December 31, 2005. The investment in real estate is reported at cost.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION PLANS

A. Pension Net Assets

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ASSETS			
Other Cash	\$ 387,671	\$ 66,859	\$ 454,530
Investments, at fair value:			
Corporate Bonds	25,598	-	25,598
Mutual Funds	16,616,859	27,535	16,644,394
Real Estate	55,185	-	55,185
Contributions Receivable	-	10,043	10,043
Total Assets	17,085,313	104,437	17,189,750
LIABILITIES			
Accrued Liability	-	4,095	4,095
NET ASSETS			
Held in trust for pensions and other benefits and other purposes	<u>\$ 17,085,313</u>	<u>\$ 100,342</u>	<u>\$ 17,185,655</u>



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION PLANS

B. Changes in Pension Net Assets

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ADDITIONS			
Contributions			
Employer	\$ 249,376	\$ 5,800	\$ 255,176
Employee	132,101	35,181	167,282
Total Contributions	381,477	40,981	422,458
Investment Income			
Net increase in fair value of investments	362,643	786	363,429
Interest	20,814	1,174	21,988
Dividends	923,755	499	924,254
Total Investment Income	1,307,212	2,459	1,309,671
PA 28 Interest Allocation	-	17,280	17,280
Total Additions	1,688,689	60,720	1,749,409
DEDUCTIONS			
Benefit payments	956,903	16,380	973,283
PA 28 Interest Allocation	17,280	-	17,280
Administration expense	16,138	350	16,488
Total Deductions	990,321	16,730	1,007,051
CHANGE IN NET ASSETS	698,368	43,990	742,358
NET ASSETS - JANUARY 1	16,386,945	56,352	16,443,297
NET ASSETS - DECEMBER 31	<u>\$ 17,085,313</u>	<u>\$ 100,342</u>	<u>\$ 17,185,655</u>



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 13 – MORTGAGE AGREEMENT

In prior years, a partnership was loaned federal funds to construct Yorkshire Commons Subdivision. A mortgage agreement was signed whereby the partnership agrees to pay the City \$540,000. The mortgage is due 30 years from the mortgage loan closing date of May 1988. The agreement calls for interest at the rate of 7.5% per annum. Interest accrues annually and is payable to the City in each year that the partnership has positive cash flow. All interest accrued, that has not yet been paid, is due when the mortgage matures.

A loan receivable for the mortgage balance of \$540,000 and interest receivable accrued has been recorded in the Community Development Block Grant Fund - Special Revenue fund type. Corresponding Deferred Revenue has also been recorded since these receivables may not be current receivables.

The grant for which federal funds were obtained requires that the principal and interest received for the mortgage agreement must be spent for other low income housing projects.

NOTE 14 – JOINT VENTURE

The City of Mt. Pleasant is a participant in the Mid-Michigan Area Cable Consortium. The Consortium is comprised of several Mid-Michigan governmental units who are provided cable service from the same cable provider. The Consortium is organized as a non-profit organization with a 501c (3) designation from the Internal Revenue Service. On December 31, 2005 the Consortium had a cash and investment balance of \$304,902. The Consortium does not issue an annual financial report.

NOTE 15 – CONTINGENCIES

A. Grants

The City receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2005.



City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2005

NOTE 15 – CONTINGENCIES (CONTINUED)

B. Litigation

The City of Mt. Pleasant is subject to various legal proceedings arising in the course of providing public services to City residents. The City is presently a defendant in various cases. However, in the opinion of the City's attorney the resolution of these matters will not have a material effect on the financial condition of the City.

NOTE 16 – DESIGNATED FUND BALANCE

The following is a summary of the unreserved fund balance of the governmental funds with management's designators.

	<u>General</u>	<u>Nonmajor</u>
Designated for:		
Fire Truck Replacement	\$ 233,887	\$ -
Fund Balance Policy	1,600,000	-
Subsequent Years' Expenditures	<u>659,620</u>	<u>263,311</u>
Total Designated	<u><u>\$ 2,493,507</u></u>	<u><u>\$ 263,311</u></u>

NOTE 17 – PRIOR PERIOD ADJUSTMENT

During the year equity of the following funds were adjusted for errors in previous years accounting as follows:

	<u>General</u>	<u>Nonmajor Governmental- Downtown Parking & Improvement</u>	<u>Sewer</u>	<u>Water</u>
Balance December 31, 2004	\$4,405,811	\$ 2,296,970	\$13,256,639	\$ 9,177,606
Correct Vacation Accrual	366.869	3.331	-	-
Correct Customer Billing	<u>-</u>	<u>-</u>	<u>109,188</u>	<u>103,744</u>
Restated Balance December 31, 2004	<u><u>\$4,772,680</u></u>	<u><u>\$ 2,300,301</u></u>	<u><u>\$13,365,827</u></u>	<u><u>\$ 9,281,350</u></u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1 (Restated)	\$ 4,149,053	\$ 4,405,811
Resources (Inflows)		
Taxes	4,394,400	4,505,300
Licenses and Permits	333,200	353,200
Intergovernmental		
Grants	6,700	16,090
Revenue Sharing	3,007,500	3,071,900
Charges for Service and Sales	774,580	806,790
Fines	184,000	170,000
Interest	78,100	147,800
Miscellaneous	317,370	753,940
Transfers from Other Funds	698,750	631,450
Transfers from Component Units	45,030	45,030
Amount Available for Appropriation	13,988,683	14,907,311
Charges to Appropriations (Outflows)		
Legislative Division	528,490	465,320
Finance & Records Division	1,220,090	1,222,130
Public Safety Division	5,747,400	5,630,960
Community Services Division	1,896,170	1,988,980
Public Works Division	626,610	629,750
Transfers to Other Funds	427,020	425,320
Total Charges to Appropriations	10,445,780	10,362,460
Fund Balance - December 31	<u>\$ 3,542,903</u>	<u>\$ 4,544,851</u>

Required Supplemental Information
Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 4,772,680	\$ 366,869
4,484,615	(20,685)
362,222	9,022
20,213	4,123
3,069,222	(2,678)
963,645	156,855
163,341	(6,659)
158,841	11,041
726,353	(27,587)
607,579	(23,871)
51,490	6,460
15,380,201	472,890
458,914	6,406
1,186,331	35,799
5,557,627	73,333
1,962,140	26,840
604,883	24,867
429,320	(4,000)
10,199,215	163,245
<u>\$ 5,180,986</u>	<u>\$ 636,135</u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 823,876	\$ 1,214,264
Resources (Inflows)		
Intergovernmental		
Grants	350,000	350,000
Revenue Sharing	1,151,000	1,151,000
Other	38,660	38,660
Charges for Service and Sales	6,750	6,750
Interest	20,000	37,000
Miscellaneous	-	180
Transfers from Other Funds	-	-
Amount Available for Appropriation	2,390,286	2,797,854
Charges to Appropriations (Outflows)		
Highways, Streets and Bridges	1,591,950	2,037,920
Transfers to Other Funds	159,320	406,320
Total Charges to Appropriations	1,751,270	2,444,240
Fund Balance - December 31	<u>\$ 639,016</u>	<u>\$ 353,614</u>

Required Supplemental Information
Budgetary Comparison Schedule - Major Street Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 1,214,264	\$ -
341,000	(9,000)
1,171,920	20,920
21,476	(17,184)
5,252	(1,498)
37,227	227
177	(3)
<u>28,413</u>	<u>28,413</u>
2,819,729	21,875
1,849,610	188,310
<u>407,821</u>	<u>(1,501)</u>
<u>2,257,431</u>	<u>186,809</u>
<u><u>\$ 562,298</u></u>	<u><u>\$ 208,684</u></u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 395,491	\$ 391,086
Resources (Inflows)		
Charges for Service and Sales	20,080	32,290
Interest	40,500	340
Miscellaneous	-	-
Amount Available for Appropriation	456,071	423,716
Charges to Appropriations (Outflows)		
Community Development	150,000	50,260
Fund Balance - December 31	<u>\$ 306,071</u>	<u>\$ 373,456</u>

**Required Supplemental Information
Budgetary Comparison Schedule -
Community Development Block Grant Fund
Year Ended December 31, 2005**

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 391,086	\$ -
35,929	3,639
238	(102)
<u>-</u>	<u>-</u>
427,253	3,537
<u>50,260</u>	<u>-</u>
<u><u>\$ 376,993</u></u>	<u><u>\$ 3,537</u></u>



City of Mt. Pleasant

Actuarial Valuation Date		Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)
12/31/1996	*	\$ 10,916,079	\$ 11,571,181	\$ 655,102
12/31/1997		12,296,505	11,989,742	(306,763)
12/31/1998	*	13,955,009	11,518,215	(2,436,794)
12/31/1999	*	16,005,900	12,356,510	(3,649,390)
12/31/2000	*	17,255,129	13,525,725	(3,729,404)
12/31/2001	*	17,919,175	13,979,211	(3,939,964)
12/31/2002	*	17,532,361	14,729,261	(2,803,100)
12/31/2003	*	17,225,631	15,518,689	(1,706,942)
12/31/2004		16,837,905	16,309,949	(527,596)
12/31/2005		16,828,869	16,671,051	(157,818)

*After changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.

Required Supplementary Information
Fire and Police Pension Plan -
Schedule of Funding Progress

Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
94%	\$ 1,546,276	42%
103%	1,801,993	-17%
121%	1,813,321	-134%
130%	1,949,819	-187%
128%	2,156,881	-173%
128%	2,278,324	-173%
119%	2,430,802	-115%
111%	2,437,692	-70%
103%	2,578,620	-20%
101%	2,493,426	-6%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percent Contributed
1996	\$ 309,957	100%
1997	322,614	100%
1998	341,572	100%
1999	362,020	100%
2000	174,079	100%
2001	132,003	100%
2002	92,315	100%
2003	96,145	100%
2004	166,024	100%
2005	249,376	100%



City of Mt. Pleasant

Required Supplementary Information Fire and Police Pension Plan - Notes to the Required Schedules

BUDGETARY COMPARISON SCHEDULE

The budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is adopted with legal budgetary control at the fund level (i.e. expenditures may not exceed budgeted appropriations at the fund level), except the General Fund, which is adopted at the division level. Budgets are adopted in accordance Public ACT 493. In accordance with this Act, budgets are adopted on an annual basis for General and Special Revenue funds. Informational summaries are adopted for Capital Projects, Debt Service, Proprietary Funds and Component Units as a management control device. The Building Authority is a blended component unit with the Special Revenue funds, therefore no budget comparison is required for this fund.

FIRE AND POLICE PENSION PLAN

The required contribution for the fiscal year was determined using the individual entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0% per year, compounded annually, (b) projected salary increases of 5.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.00% to 3% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement except for the operation of the 13th check. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on a closed basis. The amortization period on December 31, 2005 was 20 years.



City of Mt. Pleasant

	Nonmajor Special Revenue Funds	
	Local Street	Parks & Recreation
ASSETS		
Common Cash and Investments	\$ 300,023	\$ 561,629
Other Cash	54,926	1,003
Taxes Receivable	-	-
Special Assessments		
Current	-	-
Deferred	-	-
Accounts Receivable	-	635
Contracts Receivable	-	-
Due From Other Funds	29,250	-
Due From Other Governmental Units	57,900	-
Long Term Advance to Component Unit	-	-
Total Assets	<u>\$ 442,099</u>	<u>\$ 563,267</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Payables		
Accounts	\$ 497	\$ 10,445
Contractor Retainage	54,926	-
Due to Other Funds	-	-
Deferred Revenue	-	-
Total Liabilities	55,423	10,445
FUND BALANCE		
Reserved for Future Expenditures	-	387,232
Unreserved		
Designated	-	148,311
Undesignated	386,676	17,279
Total Fund Balance	386,676	552,822
Total Liabilities and Fund Balance	<u>\$ 442,099</u>	<u>\$ 563,267</u>

Other Financial and Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

Nonmajor Special Revenue Funds			
Downtown Parking & Improvement	Economic Development	Storm Drain Improvement	Building Authority
\$ 41,927	\$ 302,931	\$ 216,264	\$ 4,146
-	-	-	9,651
-	-	-	-
36,717	-	-	-
-	-	-	-
-	-	-	-
-	79,337	-	-
-	-	-	-
-	-	-	-
-	9,653	-	-
<u>\$ 78,644</u>	<u>\$ 391,921</u>	<u>\$ 216,264</u>	<u>\$ 13,797</u>
\$ 11,839	\$ -	\$ 3,981	\$ -
-	-	-	-
-	-	-	-
-	79,337	-	-
<u>11,839</u>	<u>79,337</u>	<u>3,981</u>	<u>-</u>
4,442	9,653	-	-
-	-	-	-
<u>62,363</u>	<u>302,931</u>	<u>212,283</u>	<u>13,797</u>
<u>66,805</u>	<u>312,584</u>	<u>212,283</u>	<u>13,797</u>
<u>\$ 78,644</u>	<u>\$ 391,921</u>	<u>\$ 216,264</u>	<u>\$ 13,797</u>



City of Mt. Pleasant

	Nonmajor Debt Service Funds	
	1996 Refunding Debt	Special Assessment Bond Debt
ASSETS		
Common Cash and Investments	\$ -	\$ 3,825
Other Cash	51,653	215,075
Taxes Receivable	6,552	-
Special Assessments		
Current	-	66,885
Deferred	-	308,996
Accounts Receivable	-	-
Contracts Receivable	-	-
Due From Other Funds	8,063	-
Due From Other Governmental Units	-	-
Long Term Advance to Component Unit	-	-
Total Assets	<u>\$ 66,268</u>	<u>\$ 594,781</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Payables		
Accounts	\$ -	\$ 4,785
Contractor Retainage	-	-
Due to Other Funds	-	40,921
Unearned Revenue	-	308,996
Total Liabilities	-	354,702
FUND BALANCE		
Reserved	66,268	240,079
Unreserved		
Designated	-	-
Undesignated	-	-
Total Fund Balance	<u>66,268</u>	<u>240,079</u>
Total Liabilities and Fund Balance	<u>\$ 66,268</u>	<u>\$ 594,781</u>

Other Financial and Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005
(Continued)

Nonmajor Capital Projects Funds		Total Nonmajor Governmental Funds
General Projects	Borden Building	
\$ 521,788	\$ 686,015	\$ 2,638,548
-	-	332,308
50,853	-	57,405
-	-	103,602
-	-	308,996
-	-	635
-	-	79,337
-	-	37,313
-	-	57,900
-	-	9,653
<u>\$ 572,641</u>	<u>\$ 686,015</u>	<u>\$ 3,625,697</u>
\$ -	\$ -	\$ 31,547
-	-	54,926
-	-	40,921
-	-	388,333
-	-	515,727
267,000	247,000	1,221,674
115,000	-	263,311
<u>190,641</u>	<u>439,015</u>	<u>1,624,985</u>
<u>572,641</u>	<u>686,015</u>	<u>3,109,970</u>
<u>\$ 572,641</u>	<u>\$ 686,015</u>	<u>\$ 3,625,697</u>



City of Mt. Pleasant

	Nonmajor Special Revenue Funds	
	Local Street	Parks & Recreation
REVENUE		
Taxes	\$ -	\$ -
Special Assessments	-	-
Revenue Sharing	376,085	-
Charges for Service and Sales	189,502	329,667
Fines	-	-
Interest	11,923	1,554
Miscellaneous	-	472,571
Total Revenue	577,510	803,792
EXPENDITURES		
Current Operations		
General Government	-	507,315
Public Works	-	-
Highways, Streets and Bridges	1,130,264	-
Community Development	-	-
Debt Service		
Principal	-	-
Interest	-	-
Other	-	-
Total Expenditures	1,130,264	507,315
Excess of Revenue Over (Under) Expenditures	(552,754)	296,477

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2005

Nonmajor Special Revenue Funds			
Downtown Parking & Improvement	Economic Development	Storm Drain Improvement	Building Authority
\$ -	\$ -	\$ -	\$ -
81,513	-	-	-
-	-	-	-
5,176	23,151	3,912	-
41,250	-	-	-
1,827	10,505	4,196	545
-	-	-	-
129,766	33,656	8,108	545
141,421	-	-	-
103,495	-	10,207	8,581
-	-	-	-
-	15,000	-	-
-	-	20,000	195,000
-	-	5,900	120,000
-	-	300	250
244,916	15,000	36,407	323,831
(115,150)	18,656	(28,299)	(323,286)



City of Mt. Pleasant

	Nonmajor Special Revenue Funds	
	Local Street	Parks & Recreation
OTHER FINANCING SOURCES USES		
Transfers In	\$ 538,577	\$ 25,960
Transfers Out	(73,417)	-
Total Other Financing Sources (Uses)	465,160	25,960
Net Change in Fund Balances	(87,594)	322,437
Fund Balance - January 1 (Restated)	474,270	230,385
Fund Balance - December 31	<u>\$ 386,676</u>	<u>\$ 552,822</u>

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2005
(Continued)

Nonmajor Special Revenue Funds			
Downtown Parking & Improvement	Economic Development	Storm Drain Improvement	Building Authority
\$ 55,400	\$ -	\$ 162,620	\$ 315,000
(3,762)	-	(50,000)	-
51,638	-	112,620	315,000
(63,512)	18,656	84,321	(8,286)
130,317	293,928	127,962	22,083
<u>\$ 66,805</u>	<u>\$ 312,584</u>	<u>\$ 212,283</u>	<u>\$ 13,797</u>



City of Mt. Pleasant

	Nonmajor Debt Service Funds	
	1996 Refunding Bond	Special Assessment Bond
REVENUE		
Taxes	\$ 80,553	\$ -
Special Assessments	-	65,961
Revenue Sharing	-	-
Charges for Service and Sales	-	-
Fines	-	-
Interest	1,356	14,960
Miscellaneous	-	-
Total Revenue	81,909	80,921
EXPENDITURES		
Current Operations		
General Government	-	-
Public Works	-	-
Highways, Streets and Bridges	-	-
Community Development	-	-
Debt Service		
Principal	140,000	10,000
Interest	13,160	2,297
Other	325	300
Total Expenditures	153,485	12,597
Excess of Revenue Over (Under) Expenditures	(71,576)	68,324

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2005
(Continued)

Nonmajor Capital Projects Funds		Total Nonmajor Governmental
General Projects	Borden Building	
\$ 729,853	\$ -	\$ 810,406
-	-	147,474
-	-	376,085
-	-	551,408
-	-	41,250
32,473	2,515	81,854
-	135,000	607,571
762,326	137,515	2,616,048
-	-	648,736
-	3,500	125,783
-	-	1,130,264
-	-	15,000
235,000	-	600,000
23,275	-	164,632
300	-	1,475
258,575	3,500	2,685,890
503,751	134,015	(69,842)



City of Mt. Pleasant

	Nonmajor Debt Service Funds	
	1996 Refunding Bond	Special Assessment Bond
OTHER FINANCING SOURCES USES		
Transfers In	\$ 27,817	\$ -
Transfers Out	-	(55,684)
Total Other Financing Sources (Uses)	27,817	(55,684)
Net Change in Fund Balances	(43,759)	12,640
Fund Balance - January 1 (Restated)	110,027	227,439
Fund Balance - December 31	<u>\$ 66,268</u>	<u>\$ 240,079</u>

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2005
(Continued)

Nonmajor Capital Projects Funds		Total Nonmajor Governmental
General Projects	Borden Building	
\$ -	\$ 552,000	\$ 1,677,374
(615,000)	-	(797,863)
(615,000)	552,000	879,511
(111,249)	686,015	809,669
683,890	-	2,300,301
<u>\$ 572,641</u>	<u>\$ 686,015</u>	<u>\$ 3,109,970</u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 276,264	\$ 474,270
Resources (Inflows)		
Revenue Sharing	379,760	379,760
Charges for Service and Sales	212,780	212,780
Interest	2,000	12,000
Miscellaneous	-	2,000
Transfers In	559,040	559,040
Amount Available for Appropriation	1,429,844	1,639,850
Charges to Appropriations		
Highways, Streets and Bridges	1,205,020	1,156,180
Transfers Out	51,620	51,620
Total Appropriations	1,256,640	1,207,800
Fund Balance - December 31	\$ 173,204	\$ 432,050

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Local Street Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 474,270	\$ -
376,085	(3,675)
189,502	(23,278)
11,923	(77)
-	(2,000)
<u>538,577</u>	<u>(20,463)</u>
1,590,357	(49,493)
1,130,264	25,916
<u>73,417</u>	<u>(21,797)</u>
<u>1,203,681</u>	<u>4,119</u>
<u><u>\$ 386,676</u></u>	<u><u>\$ (45,374)</u></u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1 (Restated)	\$ 79,159	\$ 235,195
Resources (Inflows)		
Charges for Service and Sales	343,310	352,430
Interest	-	-
Miscellaneous	10,000	481,530
Transfers In	28,160	25,960
Amount Available for Appropriation	460,629	1,095,115
Charges to Appropriations		
General Government	430,830	529,400
Fund Balance - December 31	<u>\$ 29,799</u>	<u>\$ 565,715</u>

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Parks & Recreation Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 230,385	\$ (4,810)
329,667	(22,763)
1,554	1,554
472,571	(8,959)
25,960	-
1,060,137	(34,978)
507,315	22,085
<u>\$ 552,822</u>	<u>\$ (12,893)</u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1 (Restated)	\$ 130,812	\$ 126,986
Resources (Inflows)		
Special Assessments	80,000	80,000
Charges for Service and Sales	6,660	5,000
Fines	30,000	38,000
Interest	300	2,000
Transfers In	26,400	55,400
Amount Available for Appropriation	274,172	307,386
Charges to Appropriations		
General Government	154,060	186,460
Public Works	96,500	92,950
Transfers Out	4,060	4,060
Total Appropriations	254,620	283,470
Fund Balance - December 31	<u>\$ 19,552</u>	<u>\$ 23,916</u>

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Downtown Parking & Improvement
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 130,317	\$ 3,331
81,513	1,513
5,176	176
41,250	3,250
1,827	(173)
55,400	-
315,483	8,097
141,421	45,039
103,495	(10,545)
3,762	298
248,678	34,792
<u>\$ 66,805</u>	<u>\$ 42,889</u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 228,656	\$ 293,928
Resources (Inflows)		
Charges for Service and Sales	10,500	20,800
Interest	5,000	9,000
Amount Available for Appropriation	244,156	323,728
Charges to Appropriations		
Community Development	125,000	50,000
Fund Balance - December 31	<u>\$ 119,156</u>	<u>\$ 273,728</u>

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Economic Development Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 293,928	\$ -
23,151	2,351
10,505	1,505
327,584	3,856
15,000	35,000
<u>\$ 312,584</u>	<u>\$ 38,856</u>



City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 118,661	\$ 127,962
Resources (Inflows)		
Charges for Service and Sales	-	-
Interest	2,000	4,000
Transfers In	162,620	162,620
Amount Available for Appropriation	283,281	294,582
Charges to Appropriations		
Public Works	7,000	7,000
Debt Service		
Principal	20,000	20,000
Interest	5,900	5,900
Other	300	300
Transfers Out	50,000	50,000
Amount Available for Appropriation	83,200	83,200
Fund Balance - December 31	\$ 200,081	\$ 211,382

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Storm Drain Improvement Fund
Year Ended December 31, 2005

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 127,962	\$ -
3,912	3,912
4,196	196
<u>162,620</u>	<u>-</u>
298,690	4,108
10,207	(3,207)
20,000	-
5,900	-
300	-
<u>50,000</u>	<u>-</u>
<u>86,407</u>	<u>(3,207)</u>
<u><u>\$ 212,283</u></u>	<u><u>\$ 901</u></u>



City of Mt. Pleasant

	Enterprise Funds	
	Solid Waste	Project 2000
ASSETS		
Current Assets		
Common Cash and Investments	\$ 551,676	\$ 798,420
Restricted Common Cash and Investments	262,670	-
Other Cash	-	41,725
Taxes Receivable	11,987	-
Accounts Receivable	38,278	122,910
Due from Other Governmental Units	-	-
Prepaid Expense	-	-
Inventory	8,870	-
Total Current Assets	873,481	963,055
Noncurrent Assets		
Contracts Receivable	-	264,150
Development Costs	-	609,409
Capital Assets	45,050	-
Less: Accumulated Depreciation	(45,050)	-
Total Noncurrent Assets	-	873,559
Total Assets	873,481	1,836,614

**Other Financial and Supplemental Information
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2005**

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ -	\$ 1,350,096
-	262,670
100	41,825
-	11,987
2,790	163,978
180,356	180,356
1,485	1,485
27,320	36,190
212,051	2,048,587
-	264,150
-	609,409
2,912,206	2,957,256
(1,265,207)	(1,310,257)
1,646,999	2,520,558
1,859,050	4,569,145



City of Mt. Pleasant

	Enterprise Funds	
	Solid Waste	Project 2000
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 18,563	\$ 137,498
Contractor Retainage Payable	-	41,725
Due to Other Funds	-	-
Total Current Liabilities	18,563	179,223
NET ASSETS		
Invested in Capital Assets	-	-
Restricted for:		
Future Projects	-	-
Replacement	262,670	-
Unrestricted	592,248	1,657,391
Total Net Assets	\$ 854,918	\$ 1,657,391

Other Financial and Supplemental Information
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2005
(Continued)

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ 5,940	\$ 162,001
-	41,725
86,664	86,664
92,604	290,390
1,646,999	1,646,999
94,000	94,000
-	262,670
25,447	2,275,086
<u>\$ 1,766,446</u>	<u>\$ 4,278,755</u>



City of Mt. Pleasant

	Enterprise Funds	
	Solid Waste Management	Project 2000
OPERATING REVENUE		
Charges for Service and Sales	\$ 325,766	\$ 822,818
OPERATING EXPENSES		
Compensation	57,644	23,656
Supplies	36,480	1,115
Professional Services	160,009	857,364
Utilities	-	-
Other Expenditures	55,190	4,151
Depreciation	-	-
Total Operating Expenses	309,323	886,286
Operating Income (Loss)	16,443	(63,468)
NON-OPERATING REVENUE (EXPENSES)		
Property Taxes	166,987	-
Federal/State Grants	-	-
Donations	-	-
Interest Income	25,478	-
Total Non-Operating Revenue (Expenses)	192,465	-
Income (Loss) Before Transfers	208,908	(63,468)
Transfers In	26,390	-
Transfers Out	(18,288)	(467,020)
Change in Net Assets	217,010	(530,488)
Net Assets - January 1	637,908	2,187,879
Net Assets - December 31	\$ 854,918	\$ 1,657,391

**Other Financial and Supplemental Information
Combining Statement of Revenue,
Expenses, and Changes in Net Assets
Nonmajor Proprietary Funds
Year Ended December 31, 2005**

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ 271,062	\$ 1,419,646
8,000	89,300
148,500	186,095
71,943	1,089,316
23,160	23,160
13,401	72,742
110,530	110,530
375,534	1,571,143
(104,472)	(151,497)
-	166,987
183,803	183,803
94,000	94,000
-	25,478
277,803	470,268
173,331	318,771
38,960	65,350
-	(485,308)
212,291	(101,187)
1,554,155	4,379,942
<u>\$ 1,766,446</u>	<u>\$ 4,278,755</u>



City of Mt. Pleasant

	Enterprise Funds
	<u>Solid Waste Management</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 331,049
Payments to Employees	(57,644)
Payments to Suppliers and Contractors	(263,586)
Other (Payments)	<u>(55,190)</u>
Net Cash Provided (Used) by Operating Activities	(45,371)
Cash Flows from Non-Capital Financing Activities	
Property Taxes	165,088
Operating Subsidies	26,390
Transfers to Other Funds	<u>(18,288)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	173,190
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Asset	-
Federal/State Grants	-
Donations	<u>-</u>
Net Cash (Used) by Capital and Related Financing Activities	-
Cash Flow from Investing Activities	
Interest Income	<u>25,478</u>
Net Increase (Decrease) in Cash and Cash Equivalents	153,297
Cash and Cash Equivalents - January 1	<u>661,049</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 814,346</u></u>

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended December 31, 2005

Enterprise Funds		Total Nonmajor Funds
Project 2000	Airport	
\$ 823,864	\$ 283,448	\$ 1,438,361
(23,656)	(8,000)	(89,300)
(679,256)	(248,185)	(1,191,027)
(4,151)	(13,401)	(72,742)
116,801	13,862	85,292
-	-	165,088
-	3,425	29,815
(467,020)	-	(485,308)
(467,020)	3,425	(290,405)
-	(220,178)	(220,178)
-	108,891	108,891
-	94,000	94,000
-	(17,287)	(17,287)
-	-	25,478
(350,219)	-	(196,922)
1,190,364	100	1,851,513
<u>\$ 840,145</u>	<u>\$ 100</u>	<u>\$ 1,654,591</u>



City of Mt. Pleasant

	<u>Enterprise Funds</u>
	<u>Solid Waste Management</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 16,443
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations	
Depreciation	-
Changes in Assets and Liabilities	
Accounts Receivable	6,780
Prepaid Expense	-
Inventory	(1,497)
Accounts Payable	(67,097)
Contractor Retainage Payable	-
	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>\$ (45,371)</u>

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended December 31, 2005
(Continued)

	Enterprise Funds	
Project 2000	Airport	Total Nonmajor Funds
\$ (63,468)	\$ (104,472)	\$ (151,497)
-	110,530	110,530
1,046	12,386	20,212
-	(337)	(337)
-	(2,110)	(3,607)
137,498	(2,135)	68,266
41,725	-	41,725
<u>\$ 116,801</u>	<u>\$ 13,862</u>	<u>\$ 85,292</u>



City of Mt. Pleasant

	Internal Service Funds	
	Central Stores	Motor Pool
ASSETS		
Current Assets		
Common Cash and Investments	\$ 9,373	\$ 1,033,759
Restricted Common Cash and Investments	-	270,442
Other Cash	-	-
Other Investments	-	-
Accounts Receivable	208	-
Accrued Interest Receivable	-	-
Prepaid Expense	-	6,176
Inventory	82,813	-
Total Current Assets	92,394	1,310,377
Noncurrent Assets		
Capital Assets	-	3,382,052
Less: Accumulated Depreciation	-	(2,536,211)
Total Noncurrent Assets	-	845,841
Total Assets	92,394	2,156,218

Other Financial and Supplemental Information
Combining Statement of Net Assets
Internal Service Funds
December 31, 2005

Internal Service Funds	
Self Insurance	Total Internal Service Funds
<hr/>	
\$ 27,661	\$ 1,070,793
-	270,442
362,605	362,605
1,002,872	1,002,872
4,095	4,303
12,123	12,123
-	6,176
-	82,813
<hr/>	
1,409,356	2,812,127
-	3,382,052
-	(2,536,211)
<hr/>	
-	845,841
<hr/>	
1,409,356	3,657,968



City of Mt. Pleasant

	Internal Service Funds	
	Central Stores	Motor Pool
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,830	\$ 5,310
Accrued Expenses	-	-
Total Current Liabilities	1,830	5,310
NET ASSETS		
Investment in Capital Assets	-	845,841
Restricted for:		
Replacement	-	270,442
Unrestricted	90,564	1,034,625
Total Net Assets	\$ 90,564	\$ 2,150,908

Other Financial and Supplemental Information
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2005
(Continued)

Internal Service Funds	
Self Insurance	Total Internal Service Funds
<hr/>	
\$ -	\$ 7,140
267,080	267,080
<hr/>	
267,080	274,220
-	845,841
-	270,442
1,142,276	2,267,465
<hr/>	
<u>\$ 1,142,276</u>	<u>\$ 3,383,748</u>



City of Mt. Pleasant

	Internal Service Funds	
	Central Stores	Motor Pool
OPERATING REVENUE		
Charges for Service and Sales	\$ 66,826	\$ 665,170
OPERATING EXPENSES		
Compensation	7,914	149,931
Supplies	37,755	182,120
Professional Services	1,360	70,385
Training	-	2,299
Utilities	110	28,923
Insurance Claims	-	-
Other Expenditures	2,336	5,197
Depreciation	-	215,354
Total Operating Expenses	49,475	654,209
Operating Income	17,351	10,961
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	-	-
Proceeds from Sale of Capital Investment	-	13,956
Total Non-Operating Revenue (Expenses)	-	13,956
Income (Loss) Before Transfers	17,351	24,917
Transfers Out	(1,771)	(38,114)
Change in Net Assets	15,580	(13,197)
Net Assets - January 1	74,984	2,164,105
Net Assets - December 31	\$ 90,564	\$ 2,150,908

**Other Financial and Supplemental Information
Combining Statement of Revenue,
Expenses, and Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2005**

Internal Service Funds	
Self Insurance	Total Internal Service Funds
\$ 2,156,221	\$ 2,888,217
-	157,845
-	219,875
277,988	349,733
-	2,299
-	29,033
1,663,753	1,663,753
-	7,533
-	215,354
1,941,741	2,645,425
214,480	242,792
34,334	34,334
-	13,956
34,334	48,290
248,814	291,082
-	(39,885)
248,814	251,197
893,462	3,132,551
<u>\$ 1,142,276</u>	<u>\$ 3,383,748</u>



City of Mt. Pleasant

	Internal Service Funds	Central Stores
Cash Flows from Operating Activities		
Receipts from Customers	\$ 66,618	
Payments to Employees	(7,914)	
Payments to Suppliers and Contractors	(37,089)	
Claims Paid	-	
Other (Payments)	(2,336)	
Net Cash Provided (Used) by Operating Activities	19,279	
Cash Flows from Non-Capital Financing Activities		
Transfers to Other Funds	(9,906)	
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Asset	-	
Proceeds from Sale of Capital Asset	-	
Net Cash (Used) by Capital and Related Financing Activities	-	
Cash Flow from Investing Activities		
Purchase of Investments	-	
Interest Income	-	
Net Cash (Used) by Investing Activities	-	
Net Increase (Decrease) in Cash and Cash Equivalents	9,373	
Cash and Cash Equivalents - January 1	-	
Cash and Cash Equivalents - December 31	<u>\$ 9,373</u>	

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2005

Internal Service Funds		Total
Motor Pool	Self Insurance	Internal Service Funds
\$ 665,170	\$ 2,156,176	\$ 2,887,964
(149,931)	-	(157,845)
(283,734)	(277,988)	(598,811)
-	(1,628,278)	(1,628,278)
(5,197)	-	(7,533)
226,308	249,910	495,497
(38,114)	-	(48,020)
(221,784)	-	(221,784)
13,956	-	13,956
(207,828)	-	(207,828)
-	(1,002,872)	(1,002,872)
-	27,533	27,533
-	(975,339)	(975,339)
(19,634)	(725,429)	(735,690)
1,323,835	1,115,695	2,439,530
<u>\$ 1,304,201</u>	<u>\$ 390,266</u>	<u>\$ 1,703,840</u>



City of Mt. Pleasant

	Internal Service Funds	Central Stores
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities		
Operating Income	\$ 17,351	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations		
Depreciation		-
Changes in Assets and Liabilities		
Accounts Receivable		(208)
Prepaid Expense		-
Inventory		3,123
Accounts Payable		(987)
Accrued Expenses		-
Net Cash Provided (Used) by Operating Activities	\$ 19,279	

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2005
(Continued)

Internal Service Funds		
Motor Pool	Self Insurance	Total Internal Service Funds
\$ 10,961	\$ 214,480	\$ 242,792
215,354	-	215,354
-	(45)	(253)
(1,002)	-	(1,002)
-	-	3,123
995	(124)	(116)
-	35,599	35,599
<u>\$ 226,308</u>	<u>\$ 249,910</u>	<u>\$ 495,497</u>



City of Mt. Pleasant

Other Financial and Supplemental Information Combining Statement of Net Assets Trust Funds December 31, 2005

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ASSETS			
Other Cash	\$ 387,671	\$ 66,859	\$ 454,530
Investments, at fair value:			
Corporate Bonds	25,598	-	25,598
Mutual Funds	16,616,859	27,535	16,644,394
Real Estate	55,185	-	55,185
Contributions Receivable	-	10,043	10,043
 Total Assets	 17,085,313	 104,437	 17,189,750
LIABILITIES			
Accrued Liability	-	4,095	4,095
NET ASSETS			
Held in trust for pensions and other benefits and other purposes	<u>\$ 17,085,313</u>	<u>\$ 100,342</u>	<u>\$ 17,185,655</u>



City of Mt. Pleasant

Other Financial and Supplemental Information Combining Statement of Changes in Net Assets Trust Funds Year Ended December 31, 2005

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ADDITIONS			
Contributions			
Employer	\$ 249,376	\$ 5,800	\$ 255,176
Employee	132,101	35,181	167,282
Total Contributions	381,477	40,981	422,458
Investment Income			
Net increase in fair value of investments	362,643	786	363,429
Interest	20,814	1,174	21,988
Dividends	923,755	499	924,254
Total Investment Income	1,307,212	2,459	1,309,671
PA 28 Interest Allocation	-	17,280	17,280
Total Additions	1,688,689	60,720	1,749,409
DEDUCTIONS			
Benefit payments	956,903	16,380	973,283
PA 28 Interest Allocation	17,280	-	17,280
Administration expense	16,138	350	16,488
Total Deductions	990,321	16,730	1,007,051
CHANGE IN NET ASSETS	698,368	43,990	742,358
NET ASSETS - JANUARY 1	16,386,945	56,352	16,443,297
NET ASSETS - DECEMBER 31	<u>\$ 17,085,313</u>	<u>\$ 100,342</u>	<u>\$ 17,185,655</u>



City of Mt. Pleasant

	Balance January 1, 2005	Additions
TAX COLLECTION		
ASSETS		
Common Cash and Investments	\$ 187,341	\$ 73,737
Other Cash	1,964,197	19,792,203
Taxes Receivable	3,771,616	26,719,341
Total Assets	<u>\$ 5,923,154</u>	<u>\$ 46,585,281</u>
LIABILITIES		
Taxes Payable	<u>\$ 5,923,154</u>	<u>\$ 13,570,393</u>
IMPREST PAYROLL		
ASSETS		
Other Cash	<u>\$ 97,101</u>	<u>\$ 17,163,447</u>
LIABILITIES		
Withholding Payable	<u>\$ 97,101</u>	<u>\$ 2,998,442</u>
TOTAL - ALL AGENCY FUNDS		
ASSETS		
Common Cash and Investments	\$ 187,341	\$ 73,737
Other Cash	2,061,298	36,955,650
Taxes Receivable	3,771,616	26,719,341
Total Assets	<u>\$ 6,020,255</u>	<u>\$ 63,748,728</u>
LIABILITIES		
Taxes Payable	\$ 5,923,154	\$ 13,570,393
Withholding Payable	97,101	2,998,442
Total Liabilities	<u>\$ 6,020,255</u>	<u>\$ 16,568,835</u>

Other Financial and Supplemental Information
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended December 31, 2005

<u>Deductions</u>	<u>Balance December 31, 2005</u>
\$ 79,903	\$ 181,175
19,937,925	1,818,475
<u>26,838,240</u>	<u>3,652,717</u>
<u>\$ 46,856,068</u>	<u>\$ 5,652,367</u>
 <u>\$ 13,841,180</u>	 <u>\$ 5,652,367</u>
 <u>\$ 17,162,856</u>	 <u>\$ 97,692</u>
 <u>\$ 2,997,851</u>	 <u>\$ 97,692</u>
 \$ 79,903	 \$ 181,175
37,100,781	1,916,167
<u>26,838,240</u>	<u>3,652,717</u>
<u>\$ 64,018,924</u>	<u>\$ 5,750,059</u>
 \$ 13,841,180	 \$ 5,652,367
<u>2,997,851</u>	<u>97,692</u>
<u>\$ 16,839,031</u>	<u>\$ 5,750,059</u>



City of Mt. Pleasant

Index to Statistical Section Year Ended December 31, 2005

<u>Title</u>	<u>Page Number</u>
<u>General History</u>	
Governmental Funds Revenue by Source	161
Governmental Funds Expenditures by Function	161
<u>Assessments and Taxes</u>	
Property Tax Valuations, Tax Rates, Tax Levies and Collections	162
Breakdown of 2005 Taxable Value by Property Type	163
Property Tax Millage Rates - All Direct and Overlapping Governments	164
Ten Largest Taxpayers	165
Special Assessment Collections	166
<u>Long-Term Debt</u>	
Computation of Direct and Overlapping Debt	167
Computation of Legal Debt Margin for General Obligation Bonds	168
Computation of Legal Debt Margin for Special Assessment Bonds	168
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures	169



City of Mt. Pleasant

Index to Statistical Section Year Ended December 31, 2005

<u>Title</u>	<u>Page Number</u>
<u>Long-Term Debt (Continued)</u>	
Ratio of Net General Obligation Bonded Debt to Taxable Value and Net Bonded Debt Per Capita	170
Revenue Bond Coverage	171
<u>Miscellaneous Statistics</u>	
Demographic Statistics	172
Construction and Property Values	173
Other Statistical Data	174-175



City of Mt. Pleasant

General History Governmental Funds Revenue By Source Years Ended 1996 Through 2005

Year Ended December 31	Property Taxes and Special Assessments	Licenses and Permits	Inter- Governmental Revenue	Charges for Services	Fines	Other Revenue	Total
1996	\$ 3,739,292	\$ 225,844	\$ 3,960,391	\$ 690,573	\$ 476,702	\$ 1,207,443	\$ 10,300,245
1997	3,657,786	245,492	3,849,822	804,909	496,599	1,462,631	10,517,239
1998	4,016,936	245,120	4,424,321	884,572	714,207	1,308,421	11,593,577
1999	3,913,132	283,869	4,105,047	935,060	184,134	1,327,346	10,748,588
2000	3,921,512	343,761	4,325,025	934,247	215,172	1,489,036	11,228,753
2001	4,198,901	347,676	5,638,292	1,167,678	188,851	1,860,320	13,401,718
2002	4,422,436	329,438	6,254,233	1,241,609	228,314	1,982,689	14,458,719
2003	5,016,472	333,509	5,673,218	1,190,403	235,432	1,068,543	13,517,577
2004	5,216,655	334,006	5,096,740	1,417,473	229,836	1,158,838	13,453,548
2005	5,442,495	362,222	4,999,916	1,607,724	204,591	1,612,261	14,229,209

Governmental Funds Expenditures By Function Years Ended 1996 Through 2005

Year Ended December 31	General Government	Public Safety	Public Works	Highways, Streets and Bridges	Cultural	Community Development	Debt Service	Total
1996	\$ 3,280,391	\$ 2,964,036	\$ 658,331	\$ 1,399,902	\$ 739,414	\$ 203,086	\$ 1,612,425	\$ 10,857,585
1997	3,028,892	3,392,900	589,326	2,275,693	836,916	98,306	1,509,363	11,731,396
1998	2,858,200	4,108,979	517,742	1,468,986	995,198 A	77,245	1,405,903	11,432,253
1999	2,862,987	4,189,390	924,783	1,057,895		266,539	1,256,420	10,558,014
2000	3,047,546	4,327,917	698,147	1,568,372		328,333	1,090,094	11,060,409
2001	4,059,945	4,749,101	2,351,488	1,588,926		61,988	1,495,792	14,307,240
2002	5,369,971	5,044,782	3,481,569	2,608,899		80,346	1,198,230	17,783,797
2003	4,553,044	5,317,691	657,776	2,760,578		25,259	1,524,295	14,838,643
2004	4,287,323	5,706,490	831,043	2,635,375		248,213	778,490	14,486,934
2005	4,252,121	5,557,627	734,666	2,979,874		65,260	766,107	14,355,655

A - Library became a separate entity in 1999

General Government includes General Fund, Special Revenue, Debt Service and Capital Projects Funds.



City of Mt. Pleasant

Assessments and Taxes Property Tax Valuations, Tax Rates, Tax Levies, and Collections Years Ended 1996 Through 2005

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Real Property										
Taxable Value	\$324,966,198	\$308,971,400	\$293,179,281	\$274,996,074	\$262,189,424	\$244,696,549	\$238,770,396	\$229,825,149	\$219,961,952	\$213,146,476
Personal Property										
Taxable Value	39,971,147	37,915,196	35,728,401	40,047,405	45,298,503	44,071,535	38,449,826	35,710,959	32,466,145	32,015,897
Total Real and Personal										
Taxable Value	364,937,345	346,886,596	328,907,682	315,043,479	307,487,927	288,768,084	277,220,222	265,536,108	252,428,097	245,162,373
Tax Rate (Mills)										
Operating and Recycling	12.449	12.5360	11.3210	9.9514	10.2644	9.9594	8.7094	9.0694	8.1234	8.3634
Capital Improvements	2.0000	2.0000	3.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
1991 Refunding Bond	-	-	-	-	-	-	1.0800	0.4650	0.3500	0.3500
Police - Fire Pension	0.767	0.5410	0.3240	0.3160	0.4800	0.6800	1.4500	1.4100	1.3260	1.3660
Storm Drain Improvements	-	-	-	0.8591	0.8591	0.8591	0.8591	0.8591	0.8591	0.8591
1996 Refunding Debt	0.234	0.3730	0.8050	0.9370	0.9600	1.0650	0.4650	1.7100	2.3550	2.5750
Local Street	-	-	-	0.5000	-	-	-	-	-	-
Project 2000	-	-	-	0.8865	0.8865	0.8865	0.8865	0.8865	0.8865	0.8865
Total Mills	15.4500	15.4500	15.4500	15.4500	15.4500	15.4500	15.4500	16.4000	15.9000	16.4000
Tax Levy										
Operating and Recycling	\$4,543,046	\$4,349,564	\$3,723,442	\$3,142,457	\$3,117,157	\$2,681,367	\$2,263,627	\$2,367,641	\$2,032,891	\$1,921,919
Capital Improvements	729,853	693,753	986,680	630,103	604,807	564,119	545,491	522,116	500,502	480,446
1996 Refunding Bond	85,366	129,360	264,737	295,183	290,289	285,809	120,177	121,395	87,011	80,347
Police - Fire Pension	279,878	177,461	106,535	92,315	132,003	174,079	362,020	368,093	331,834	309,147
Storm Drain Improvements	-	-	-	270,639	259,774	230,547	222,030	224,275	214,990	197,218
1991 Refunding Bond	-	-	-	-	-	-	279,121	446,409	589,920	591,127
Local Street	-	-	-	157,507	-	-	-	-	-	-
Project 2000	-	-	-	279,272	268,060	250,026	241,788	231,427	221,848	212,958
Total Levy	\$5,638,143	\$5,350,138	\$5,081,394	\$4,867,476	\$4,672,090	\$4,185,947	\$4,034,254	\$4,281,356	\$3,978,996	\$3,793,162
Total Collections	\$5,638,143	\$5,350,138	\$5,081,394	\$4,867,746	\$4,672,090	\$4,185,947	\$4,034,254	\$4,281,356	\$3,978,996	\$3,793,162

Note 1 – Tax levies are before TIFA Captures.

Note 2 – Beginning in 1968, the County began paying the City the full amount of delinquent real property taxes upon settlement in the subsequent March of each year.

Delinquent personal property taxes are considered negligible.



City of Mt. Pleasant

Assessments and Taxes Breakdown of 2005 Taxable Value By Property Type Year Ended December 31, 2005

	Taxable Value	Percentage of Total
<u>REAL</u>		
Commercial	\$115,698,468	31.69%
Industrial	9,510,092	2.61%
Residential	199,218,988	54.59%
Developmental	538,650	0.15%
Total Real	324,966,198	89.04%
<u>PERSONAL</u>		
Commercial	22,651,763	6.21%
Industrial	10,059,734	2.76%
Utility	7,259,650	1.99%
Total Personal	39,971,147	10.96%
Grand Total	\$364,937,345	100.00%

Note - Information obtained from City Treasurer



City of Mt. Pleasant

Assessments and Taxes Property Tax Millage Rates - All Direct and Overlapping Governments Years Ended 1996 Through 2005

Year Ended	City	School A	Mich Set	R.E.S.D.	County B	Chippewa River Library	Total
1996	16.4000	21.9400	6.0000	2.6130	7.2100	-	54.1630
1997	15.9000	25.9400	6.0000	2.6130	7.0766	-	57.5296
1998	16.4000	25.9400	6.0000	2.6089	7.0700	-	58.0189
1999	15.4500	25.7402	6.0000	2.5835	7.0700	1.7300	58.5737
2000	15.4500	25.9400	6.0000	4.3691	7.1200	1.7167	60.5958
2001	15.4500	25.9400	6.0000	4.3418	7.1200	1.7076	60.5594
2002	15.4500	25.9400	6.0000	4.3326	8.1200	1.7057	61.5483
2003	15.4500	25.9400	5.0000	4.3049	8.0200	1.6894	60.4043
2004	15.4500	25.9400	6.0000	4.2999	8.0200	1.6894	61.3993
2005	15.4500	24.2200	6.0000	4.2985	8.1700	1.6894	59.8279

One mill equals \$1.00 of tax per \$1,000 of Taxable Value

A - After 1994 reflects impact of Proposal "A" - Taxpayers with a Principal Residence Exemption pay only the mills of school debt, 3.94 for 1996 and 7.94 for 1997-2004 and 6.22 for 2005 .

B – Includes Operating, I.C.T.C. and Medical Care Facility debt.



City of Mt. Pleasant

Assessments and Taxes Ten Largest Taxpayers 2005 Taxable Value Year Ended December 31, 2005

Taxpayer	Type of Business	Number Of Parcels	Taxable Value	Percentage of Total Taxable Value
CME Corporation	Industrial/Manufacturer	5	\$ 12,591,172	3.51%
Tallgrass Apartments LLC	Rental Property	1	5,192,325	1.42%
Olivieri Management Inc	Commercial/Rental Property	39	4,922,432	1.35%
RCS Equities Inc.	Commercial/Rental Property	16	4,386,733	1.20%
Consumers Energy	Utility	1	3,845,903	1.05%
Mt. Pleasant Shopping Center	Commercial	4	3,624,198	0.99%
Michigan Consolidated Gas Company	Utility	4	3,544,687	0.97%
Meijer, Incorporated	Retail	1	3,532,100	0.97%
United Investments	Commercial/Rental Property	10	3,207,000	0.88%
Eagle-Picher Automotive	Industrial/Manufacturer	2	3,216,621	0.88%
Total Ten Largest Taxpayers			48,063,171	13.17%
Total Other Taxpayers			316,874,174	86.83%
Total Taxable Value (Real/Personal)			\$ 364,937,345	100.00%



City of Mt. Pleasant

Assessments and Taxes Special Assessment Collections Years Ended 1996 Through 2005

<u>Year Ended</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Percentage Collected</u>
1996	\$ 210,738	\$ 210,738	100%
1997	179,223	179,223	100%
1998	177,347	177,347	100%
1999	157,107	157,107	100%
2000	147,775	147,775	100%
2001	84,652	84,652	100%
2002	60,448	60,448	100%
2003	160,471	160,471	100%
2004	160,964	160,964	100%
2005	154,727	154,727	100%

Beginning in 1968, the county began paying the City the full amount of the delinquent real property taxes and any special assessments upon settlement in March for the preceding year's levy.



City of Mt. Pleasant

Long-Term Debt Computation of Direct and Overlapping Debt Year Ended December 31, 2005

Name of Governmental Unit	Total Long-Term Debt Outstanding	Balances On Hand	Net Debt Outstanding	Percentage Applicable to City Residents	City Resident's Share of Debt
<u>Direct Debt</u>					
General Obligation Bonds	\$ 455,000	\$ 333,268	\$ 121,732		
Special Assessment Bonds	35,000	35,000	-		
Building Authority	2,790,000	-	2,790,000		
TIFA/DDA Bonds	1,300,000	-	1,300,000		
MJC Loan Payable	96,399	96,399	-		
Water Revenue Bonds	7,025,000	606,100	6,418,900		
Wastewater Revenue Bonds	5,400,000	529,493	4,870,507		
 Total Direct	 17,101,399	 1,600,260	 15,501,139	 100.00%	 \$ 15,501,139
<u>Overlapping Debt</u>					
Isabella County	13,357,151	-	13,357,151	28.27%	3,776,067
Mt. Pleasant Public Schools	39,825,000	-	39,825,000	48.44%	19,291,230
Gratiot Isabella Intermediate School District	430,000	-	430,000	19.92%	85,656
 Total Overlapping Debt	 53,612,151	 -	 53,612,151		 23,152,953
 Total Direct and Overlapping Debt	 \$ 70,713,550	 \$ 1,600,260	 \$ 69,113,290		 \$ 38,654,092

The overlapping debt represents the share of the County and School debt that city residents are responsible for and are paying through separate millage levied by the County and School. Overlapping debt prepared from Michigan Advisory Council of Michigan data.



City of Mt. Pleasant

Long-Term Debt Computation of Legal Debt Margin For General Obligation Bonds Year Ended December 31, 2005

State Equalized Value - December 31, 2005		<u>\$ 469,694,573</u>
Debt Limit – 10% of State Equalized Assessed Value		\$ 46,969,457
Amount of Debt Applicable to Limit - General Obligation Bonds	\$ 455,000	
Less Assets Available for Debt Service	<u>(333,268)</u>	
Net General Obligation Debt Subject to Limit		<u>121,732</u>
Legal Debt Margin		<u>\$ 46,847,725</u>

For Special Assessment Bonds Year Ended December 31, 2005

State Equalized Value - December 31, 2005		<u>\$ 469,694,573</u>
Debt Limit - 12% of State Equalized Assessed Value		\$ 56,363,349
Special Assessment Bonds Outstanding	\$ 35,000	
Less Assets Available for Debt Retirement	<u>(35,000)</u>	
Net Special Assessment Debt Subject to Limit		<u>-</u>
Legal Debt Margin		<u>\$ 56,363,349</u>



City of Mt. Pleasant

Long-Term Debt Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures Years Ended 1996 Through 2005

Year Ended	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1996	\$ 841,791	\$ 309,885	\$ 1,151,676	\$ 6,732,150	1 to 5.85
1997	870,745	349,046	1,219,791	6,903,402	1 to 5.65
1998	853,293	413,126	1,266,419	7,387,311	1 to 5.83
1999	682,732	163,417	846,149	7,332,789	1 to 8.67
2000	625,000	166,627	791,627	7,764,020	1 to 9.81
2001	550,000	137,615	687,615	9,207,462	1 to 13.39
2002	580,000	119,818	699,818	10,758,657	1 to 15.37
2003	585,000	91,495	676,495	9,938,232	1 to 14.69
2004	385,000	61,770	446,770	10,142,168	1 to 22.70
2005	395,000	42,340	437,340	9,769,895	1 to 22.34



City of Mt. Pleasant

Long-Term Debt Ratio of Net General Obligation Bonded Debt to Taxable Value and Net Bonded Debt Per Capita Years Ended 1996 Through 2005

Year Ended	A Population	B Taxable Value	General Obligation Debt	Available Debt Service Monies	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed/ Taxable Value	Net Bonded Debt Per Capita
1996	23,299	\$ 245,162,373	\$ 5,210,000	\$ 375,886	\$ 4,834,114	50.72	207
1997	23,299	252,428,097	4,515,000	389,086	4,125,914	61.18	177
1998	23,299	265,536,108	3,825,000	369,296	3,455,704	76.84	148
1999	23,299	277,220,222	3,435,000	340,766	3,094,234	89.59	133
2000	23,299	288,768,084	2,950,000	360,752	2,589,248	111.53	111
2001	25,946	307,487,927	2,400,000	377,356	2,022,644	152.02	78
2002	25,946	315,043,479	1,820,000	388,174	1,431,826	220.03	55
2003	25,946	328,907,682	1,235,000	378,690	856,310	384.10	33
2004	25,946	346,886,956	850,000	377,027	472,973	733.42	18
2005	25,946	364,937,345	455,000	333,268	121,732	2997.88	5

A - Obtained from the Census Bureau.

B - Obtained from Treasurer's Office.



City of Mt. Pleasant

Long-Term Debt Revenue Bond Coverage Years Ended 1996 Through 2005

Year Ended	Gross Revenue	General Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$ 3,829,915	\$ 3,427,906	\$ 402,009	\$ 335,927	\$ 731,098	\$ 1,067,025	0.38
1997	3,239,546	2,266,837	972,709	298,825	638,913	937,738	1.04
1998	4,724,061	2,289,290	2,434,771	326,512	687,059	1,013,571	2.40
1999	3,670,179	2,670,971	999,208	341,104	611,167	952,271	1.05
2000 A	3,105,578	2,180,521	925,057	181,449	418,264	599,713	1.54
2001 B	7,329,371	4,791,649	2,537,722	732,892	777,907	1,510,799	1.68
2002	6,598,309	5,227,945	1,370,364	777,223	934,351	1,711,574	0.80
2003	6,762,278	5,930,064	832,214	899,119	907,636	1,806,755	0.46
2004	6,084,900	5,498,229	586,671	992,333	855,627	1,847,960	0.32
2005	5,600,882	5,984,802	(383,920)	1,004,559	806,429	1,810,988	0.00

A - Waste Water Revenue bonds Issued 2000. No principal was due during 2000.

B - Building Authority bonds issued 2001. No principal was due during 2001.



City of Mt. Pleasant

Miscellaneous Statistics Demographic Statistics Years Ended 1996 Through 2005

<u>Year Ended</u>	<u>A Population</u>	<u>B School Enrollment</u>	<u>C Unemployment Rate</u>
1996	23,299	5,454	3.30%
1997	23,299	5,381	3.00%
1998	23,299	4,981	3.00%
1999	23,299	4,992	2.90%
2000	23,299	4,734	2.80%
2001	25,946	4,862	3.25%
2002	25,946	5,129	3.60%
2003	25,946	5,205	4.40%
2004	25,946	4,647	5.30%
2005	25,946	5,040	4.90%

Data Sources:

A - Bureau of the Census

B - 1995 and 1998-2004 - Mt. Pleasant Schools, Sacred Heart Academy,
Mt. Pleasant Christian Academy, Renaissance Academy,
Saginaw Chippewa Academy and Adult Education
1996-1997 - Gratiot Isabella Intermediate School District

C - Michigan Employment Security Commission
(Annual City Average)



City of Mt. Pleasant

Miscellaneous Statistics Construction and Property Values Years Ended 1996 Through 2005

Year	Commercial Construction		Residential Construction		Property Value	
	Number of Permits	Estimated Value	Number of Permits	Estimated Value	Commercial/Industrial	Residential
1996	53	\$7,566,392	143	\$8,252,792	\$115,188,479	\$129,973,894
1997	52	8,301,771	153	11,790,192	116,769,218	135,718,879
1998	51	11,740,568	247	5,246,437	123,155,091	142,381,017
1999	53	10,603,563	201	6,262,772	128,782,575	148,437,647
2000	61	9,406,095	231	16,787,756	134,859,031	153,909,053
2001	65	16,504,793	224	13,661,922	144,359,613	163,128,314
2002	53	7,884,158	225	7,258,932	142,577,207	172,466,272
2003	55	2,887,835	197	10,735,316	141,660,119	180,268,433
2004	52	7,950,333	142	5,950,157	157,449,231	189,437,365
2005	52	7,480,965	164	7,116,562	165,718,357	199,218,988



City of Mt. Pleasant

Miscellaneous Statistics Other Statistical Data Year Ended December 31, 2005

Date of Incorporation - 1889

Form of Government - Commission – Manager

Area - 7.8 square miles

Miles of Streets:

Paved - 84.71 miles

Unpaved - 2.75 miles

Fire Protection:

Number of Stations – 1

Number of Firefighters – 13 Full Time & 20 Part-Time

Vehicles – 10

Police Protection:

Number of Sworn Officers – 34

Vehicles – 28

Recreation:

Acres of Parks and Facilities – 350

Number of Playgrounds – 7

Education:

Number of Public Schools:

High Schools – 1

Junior High Schools – 1

Elementary Schools – 6

Alternative Education – 1

Adult Education – 1

Number of Private Schools – 4



City of Mt. Pleasant

Miscellaneous Statistics Other Statistical Data Year Ended December 31, 2005

Water Utility:	Number of Retail Customers – 5,810 Average Daily Use - 2.184 Million Gallons Total Water Pumped in 2005 – 797,210,000 Gallons	
Sewage Treatment Facility:	Number of Retail Customers – 5,582 Average Daily Use – 2.420 Million Gallons Total Flow in 2005 – 883,368,000 Gallons	
Number of Street Lights:	1,042	
Number of Employees:	Full Time – 133 Part Time – 1	Part-Time Firefighters - 20 Seasonal - 52
Elections:	Number of Registered Voters – 11,249 Number of Votes Cast in Last General Election – 6,839 Percentage of Registered Voters Voting in Last General Election - 60.8%	
Population:	Census population for last six censuses and special 1976 and 1992 census:	
	1950	11,393
	1960	14,875
	1970	20,504
	1976	22,722
	1980	23,746
	1990	23,285
	1992	23,299
	2000	25,946